## OIL AND GAS LEASE

AGREEMENT made and entered into the 20 day of September 1023 by and between Montpelier Colony Co. hereinafter called lessor (whether one or more) and R. T. Traylor of Norphlet, Ark hereinafter called lessee,

witnesseth, that the said lessor for and in consideration of One bollar, cash in hand and paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, have granted, demised, leased and let and by these presents do grant, demise, lease and let unto the said lessee for the sole and only purpose of mining and operating for oil and gas and of laying of pipe lines, and of building tanks, powers, stations and structures thereon, to produce, save and take care of said products, all that certain tract of land situate in the County of St. Clair & Shelby State of Alabama, described as follows to wit:

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State of Alabama, described as follows to-wit:
        TEN of TEN & TEN of SW と
        Walof of SWaless 15 A to W.Y.Rice
        SEL of NW & NW of SEL
                                                                            18
        That pt SW of SE lying M of Mtn.known as Bentley
        Crane farm
        No of NEw, SW. NEw
        SE of NE , NE of NW .
        Wo of NWA, SEA of NWA, NEA of SWA.
        Wo of Swa, Sua of Swa, Nua of Sua
        NV2 of SE2, SV2 of SE2
                                                                            18
        ME是 of ME是, SE是 of NE是
        ME of SE, SE, of SE
                                                                            <u>18</u>
18
        All of \mathbb{W}_2^1 of Sec
        NEA of NEA, SWA of NEA
        NW of SE & that pt. So of SE &
                                                                            18
        lying N of Kelley's Creek
                                                                            18
            NW Corner SE of SW
                                                                            18
Montpelier Col. Co.
                                                                                     40 A
           of SW
                                                                                     40
            of
               SE法
                                                                      25
                                                                                     40
            of
                SE法
                                                                      25
            of
                                                                      25
            of SE
                                                                                     40
                                                                                     240
            Sec.
                                                                      36
                                                                                     640
                      S 1/2 1/2
                MAS
                         of
                                                                                     120
                                   N를 of SV를
                                                                                     200
                                                                                      80
                                                                                      80
                                                                                      80
                                                                                     160
                                                                                      80
                                                                                     640
                                                                                      40
                                                                                      80
                                                                                      80
                                                                                      40
                                                                                      80
                                                                                      80
                                                                                      80
        20 acres in NW of NW
                                                                            18
                                                                                      20
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That part of land containing about 2 acres described as fol; beginning at  $SE_{\frac{1}{4}}$  corner of  $NW_{\frac{1}{4}}$  of  $NE_{\frac{1}{4}}$ , 29 - 17 - 3, and running 88 yds. west, thence 88 yds. north, thence 77 yds. in an eastward direction, thence 73 yds. S. all in 29 17 3 2

Also 3 acres in the southwest corner NE of SW in the shape (v) in 31 17 3 3

Also  $S\mathbb{R}^{\frac{1}{2}}$  of  $S\mathbb{W}^{\frac{1}{2}}$  except 4 acres SE co ner, the top of the mountain being the line 31 17 3 36

Also that part of  $NV_{4}$  of  $NV_{4}$  lying on N. of the top of the mountain in

Total number of acres 3141 value fixed in 1920 at \$9,423.00 in St. Clair County..
And containing 5200 acres more or less.

It is agreed that this lease shall remain in force for a term of 5 years from this date, and as long thereafter as oil or gas, or either of them os produced from said land by the lessee. In consideration of the premises the said lessee covenants and agrees:

lst. To deliver to the credit of lessor, free of cost, in the pipe line to which they may connect their wells, the equal one eighth part of all oil produced and saved from the leased premises.

2nd. To pay the lessor one eighth dollars each ear, in advance, for the gas from each well where gas only is found, while the same is being used off the premises, and lessor to have gass free of cost from any such well for all stoves and all inside lights in the principal dwelling house on said land during the same time by making their own connections with the well at their own risk and expense.

3rd. To pay lessor fo gas produced from any oil well and used off the premises at the rate of one eighth dollars per year, for the time during which such gas shall be used, said payments to be made each three months in advance.

the 19 day of Sept. 1924 this lease shall terminate as to both parties, unless the lessee on or before that date shall pay or tender to the lessor, or to the lessor's credit in the \_\_\_bank at\_\_\_or its successors, which shallcontinue as the depository, regardless of changes in the ownership of said land, in the sum of one eighth dollars, which shall operate as rental and cover the privilege of deferring the commencement of a well for 12 months from said date. In like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods of the same number of months successively. And it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid but also the lessee's option of extending that period as aforesaid, and any and all other rights conferred.

Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not commenced on said land within twelve months from the expiration of the last rental period for which mental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. And it is agreed that upon the resumption of the payment of rentals, as above provided, that the last preceding paragraph hereof governing the payments of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid the lessor only in the proportion which interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for all operations thereon except water from wells of lessor.

When requested by lessor, lessee shall bury their pipe below plow bepth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without the written consent or lessor.

Lessee shall pay for damages caused by all operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises including the right to draw and remove casing.

If the estate of either party hereto is assigned - and the privilege of assigning in whole or in part expressly allowed - the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or as ignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transer or assignment or a truecopy thereof; and it is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee of such part or parts shall fail to make default in the payment of the proportionate part of the rentals due from him or them. such default shall not operate to defeat or affect the lease in so far as it covers a part or parts of aid lands upon which the said lessee or any assignee thereof shall make due payment of said rental.

Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the lessee shall have the right at any time to redeem for lessor, by payment, any mortgages, taxes or other liens on the abovedescribed lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof.

IN TESTIMONY WHEREOF we sign this the 20th day of September, 1923.

Montpelier Colony Co.

Witnee:

L. D. McSwain

nee: By S. W. Lee--Pres.

This instrument was filed for record on the 25th day of Sept. 1923 at 3 oclock P.M. and duly recorded in Book 76 of deeds pages 417-18-19 of the records of this office.

L. B.Riddle--Judge of Probate